

701—65.3(452A) Motor vehicle or aircraft special fuel holding tank. There are four requirements which must be met before the storage tank will qualify as a motor vehicle or aircraft special fuel holding tank: (1) it must have a capacity of not more than 1,050 gallons, (2) it must be owned by or in the possession of the special fuel user, (3) the special fuel dispensed from the tank must be used only in a motor vehicle for highway use or use in aircraft (see rule 65.16(452A)), and (4) the special fuel must be used only by the owner or possessor of the tank. If any requirement is not met, the tank will be considered to be bulk storage. If two or more tanks are permanently connected, so as to allow special fuel to flow from one to the other, the cumulative gallonage of all tanks so connected will be considered one tank for purposes of determining the capacity of a motor vehicle or aircraft special fuel holding tank. If only a portion of the special fuel is used directly from the bulk storage tank for highway purposes or use in aircraft, the tank must be fixed with licensed metered pumps and the owner or possessor must be licensed as either a special fuel user or dealer. Any use which is not subject to tax, which is subject to credit or refund, or for which the owner or possessor claims an exemption, credit or refund (excepting exemptions to governmental units or urban transit systems pursuant to Iowa Code section 452A.35) is considered nonhighway use or used for nonhighway purposes. No refunds, credits or exemptions will be allowed for special fuel withdrawn from a motor vehicle or aircraft special fuel holding tank except as provided in Iowa Code section 452A.71 relating to casualty losses. If the owner or possessor of the motor vehicle or aircraft special fuel holding tank dispenses special fuel from the tank into the fuel supply tank of a motor vehicle or aircraft which is owned by another person, the tank shall be disqualified as a motor vehicle or aircraft special fuel holding tank, and shall be considered bulk storage. Sales of fuel into motor vehicle or aircraft special fuel tanks owned by or in the possession of the federal government, state of Iowa, any of its agencies or any political subdivision of the state shall be made tax-free if the fuel is to be used for public purposes.

65.3(1) Pumps—license not required. If the storage tank qualifies as a “motor vehicle or aircraft special fuel holding tank,” the placement of the fuel into the tank is defined as “use” and the special fuel must be purchased tax-paid. Since the placement of the fuel into the tank is deemed “use,” the tank need not be fixed with licensed metered pumps, and the person dispensing special fuel from the tank need not be licensed as a dealer or user for that purpose.

65.3(2) Supplied by licensed dealers and distributors. Special fuel dispensed into a motor vehicle or aircraft special fuel holding tank must be dispensed by a licensed special fuel dealer or distributor and must be dispensed from a facility fixed with a licensed metered pump.

This rule is intended to implement Iowa Code sections 452A.33 and 452A.34.